



CITY OF SAN ANTONIO

P. O. BOX 839966
SAN ANTONIO TEXAS 78283-3966

April 3, 2013

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Councilman, District 10

SUBJECT: Audit Report of San Antonio Police Department – Property and Evidence Room

Mayor and Council Members:

We are pleased to send you the audit report of the San Antonio Police Department (SAPD) – Property and Evidence Room. This audit began in September 2012 and concluded with an exit meeting with department management in March 2013. Management's verbatim response is included in *Appendix D* of the report. The San Antonio Police Department should be commended for its cooperation and assistance during this audit.

The Office of the City Auditor is available to discuss this report with you individually at your convenience.

Respectfully submitted,

Kevin W. Barthold, CPA, CIA, CISA
City Auditor
City of San Antonio

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William McManus, Chief of Police
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CITY OF SAN ANTONIO

OFFICE OF THE CITY AUDITOR



Audit of San Antonio Police Department

Property and Evidence Room

Project No. AU13-018

April 3, 2013

Kevin W. Barthold, CPA, CIA, CISA
City Auditor

Executive Summary

As part of our annual Audit Plan, we conducted an audit of the San Antonio Police Department's (SAPD) Property and Evidence Room. The audit objective, conclusion, and recommendations follow:

Are chain of custody and evidence preservation controls adequate?

Yes, overall, SAPD has implemented adequate controls to ensure the chain of custody and preservation of property and evidence. SAPD management has implemented an automated inventory management system which utilizes barcodes to streamline the inventory process. In addition, a property warehouse facility was acquired and equipped with a security system and a new ventilation system to help protect and preserve property and evidence.

While chain of custody and evidence preservation controls were adequate overall, we observed several areas in need of improvement. We determined that:

- access to the property and evidence warehouse was not being reviewed,
- FileOnQ user password setting and access review security was weak,
- the currency vault held a large amount of cash,
- inventory purging was not keeping pace with intake,
- and evidence retention periods were not consistently being entered into the property/evidence management system database.

We recommend that the Chief of Police:

- Develop a security policy requiring the periodic 1) testing of all alarm systems, and 2) changing of key pad access codes to sensitive areas.
- Implement application and user access controls that are in alignment with AD 7.6 Security and Passwords and AD 7.8 User Access Management.
- Request a FileOnQ programming change that requires officers to designate currency being booked as either "hold for court" or "deposit". Also, develop a policy requiring timely deposits (e.g. weekly) of currency items into the City's trust account.
- Instruct SAPD officers to respond to Property and Evidence Room reports requesting approval to dispose items held in inventory.
- Require FileOnQ's offense code and retention code fields be populated prior to processing evidence for storage. Additionally, property room Management should periodically run reports to identify critical missing data.

SAPD management's verbatim response is provided at Appendix B on page 11.

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Background

The Property and Evidence Room is responsible for taking in and managing thousands of items of property and evidence every year (see table below). For purposes of this report, the term “property and evidence” refers to any item, whether personal property, actual evidence, potential evidence, found property, or property for safekeeping that may have been seized or received by the SAPD and submitted to the Property and Evidence Room. Typical property and evidence items include firearms, knives, narcotics, currency, blood/biological samples, sex crime kits, clothing, bicycles, back packs, eight-liners, etc.

Calendar Year	Property and Evidence Room Growth			
	2009	2010	2011	2012
Items Taken In	64,410	61,435	58,061	64,233
Items Purged	27,855	12,825	23,257	26,461
Annual Net Gain	36,555	48,610	34,804	37,772
Inventory Total (213,971 items in Inventory as of December 31, 2008)	250,526	299,136	333,940	371,712
Gain since 2008	36,555	85,165	119,969	157,741
% Gain from 2008	17.08%	39.80%	56.07%	73.72%
% Gain from prior year	17.08%	19.40%	11.63%	11.31%

The Property and Evidence Room is also responsible for maintaining an accurate chain of custody over evidential items. Chain of custody entails maintaining a documented record of the location and possessor of evidence from its initial intake through potential testing and court use (release), storage, and disposition. The Property and Evidence Room must ensure that items taken in remain secure, intact, and free from alteration and contamination in order to preserve their forensic and intrinsic value.

The Office of the City Auditor performed an audit of the SAPD Property and Evidence Room in 2006. SAPD management made two major operational changes to the Property and Evidence Room function since then:

- a new \$112K property/evidence management system was implemented to replace an older, primarily manual system
- a new \$8.7M property warehouse facility was acquired to replace an older one which had reached its capacity

In July 2007, the Property and Evidence Room converted from a hand written system to an automated inventory management system which utilizes barcodes. The new system, FileOnQ, requires officers to enter certain information relating to their evidence or property items during the intake process. Each evidence/property item is assigned a unique barcode which streamlines the process for storing and locating an item at any point in time. FileOnQ also provides data analysis functionality relative to inventory levels and identification of items ready for disposition. In May 2008, Property and Evidence Room staff undertook the task of “retro bar-coding” all historical property. The property that was retro bar-coded was simultaneously packed, transported, unpacked, and relocated to the new warehouse.

In May 2010, the Property and Evidence Room relocated to a new facility doubling its space from 50,000 square feet to 100,000 square feet. Currently, the former Property and Evidence Room serves as a drop-off facility for officers to use if they can’t take evidence/property items to the new location during normal property room work hours (7:45 am to 4:30 pm Monday-Friday). Property and evidence room personnel transport evidence/property items from the old facility to the new one by City van on a daily basis during the week.

Audit Scope and Methodology

The audit scope includes calendar years 2009 through 2012.

To obtain an understanding of operations related to property and evidence, we interviewed property room management and personnel, ITSD security personnel, and SAPD administrative and fiscal personnel.

To establish testing criteria, we reviewed the following:

- SAPD Property and Evidence Room Standard Operating Procedures
- International Association of Property and Evidence (IAPE) standards
- The Commission on Accreditation of Law Enforcement Agencies (CALEA) standards
- Occupational Safety and Health Administration (OSHA) regulations
- Texas Code of Criminal Procedure statutes

During the course of the audit, we determined if background checks (financial disclosure and drug screening) had been performed.

We conducted on-site observations of the location and construction of the Property and Evidence Room and drop-off facility to determine if proper security precautions had been taken. We also verified that employee safety was taken into consideration in the design of the new warehouse.

Furthermore, we verified that appropriate security precautions were taken for high risk items such as firearms, narcotics, and currency. We reviewed documentation of inventories performed by Property and Evidence Room personnel on currency, narcotics, and firearms.

We verified that daily reconciliations are performed of the fees charged to customers to SAP cash deposits. We also reconciled property/evidence currency transfers recorded in FileOnQ to cash deposit slips and SAP records. We also verified that all Property and Evidence Room auction proceeds were deposited into the General Fund.

We reviewed documentation pertaining to the annual drug burn and verified that an independent audit was performed and proper approval was obtained. Additionally, we determined that only Property and Evidence Room personnel are responsible for storing narcotic evidence.

Auditors determined that proper procedures were taken for all firearms converted to SAPD use and are accounted for in the SAPD armory database.

We performed a 100% reconciliation of the drug burn list and the firearms destruction list to verify that all items were accounted for in the FileOnQ system.

We verified that Property and Evidence Room personnel are not involved in collection or disposition decisions of evidentiary and recovered property. We also determined that the retention table within FileOnQ is in alignment with the Texas Statute of Limitations.

We tested the accuracy of the inventory records in FileOnQ by taking a sample of 25 evidentiary items and physically locating them in the warehouse. We also took a sample from the firearms vault, currency vault, and narcotics vault and determined if their physical location, case number, and barcode matched their associated records in the FileOnQ system.

We relied on FileOnQ computer-processed data and performed data analysis to obtain a better understating of the historical intake, release, and purge levels to identify areas for potential concern. We assessed the reliability and conducted sufficient tests of the data and concluded the data to be sufficiently reliable.

We conducted this audit from September to December 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our audit results and conclusions based on audit objectives. We believe that the evidence obtained provides a reasonable basis for our audit results and conclusions based on audit objectives. This audit included tests of management controls that we considered necessary under the circumstances.

Audit Results and Recommendations

A. Physical Security and Alarms

Physical access to the property and evidence warehouse was not being reviewed.

We identified 10 of 57 employees who had inappropriate card reader access to the property and evidence warehouse. One of the 10 also had access to sensitive areas which include the firearms vault, narcotics vault, and the currency vault. Additionally, security and alarm systems had not been tested and key pad access codes to sensitive areas had not been changed since moving to the property and evidence warehouse in 2010.

We also determined that the Property and Evidence Room had no documented policies or procedures establishing a periodic test of security and alarm systems or a periodic review of employee and contractor access to the property and evidence warehouse

In compliance with IAPE *Physical Security Controls*, administrative and physical security procedures should ensure that all property taken into custody and stored by the agency is properly controlled and protected while in agency custody.

Without the proper utilization or testing of the physical safeguards, property and evidence could be susceptible to unauthorized access or theft.

During the course of the audit, Property and Evidence Room management performed a comprehensive review of property room users and restricted access to authorized and appropriate users. Additionally, Property and Evidence Room management formalized a department policy that requires semi-annual property room access reviews.

Recommendation

The Chief of Police should develop a security policy requiring the periodic 1) testing of all property room alarm systems, and 2) changing of key pad access codes to sensitive areas.

B. FileOnQ Application Security

FileOnQ user password setting and access review security was weak.

We determined that FileOnQ password settings did not require users to have strong passwords.

Administrative Directive (AD) *7.6 Security and Passwords* states that strong password requirements are critical for securing the electronic assets of the City. AD 7.6 recommends that passwords contain a combination of upper and lower case characters, numbers, and non alphanumeric characters (e.g. !, \$, #, %). AD 7.6 also requires passwords to be at least eight characters long and expire every 90 days. The user account policies governing access to FileOnQ do not require passwords to comply with any of these criteria.

Also, we determined that periodic reviews of user accounts and privileged access roles were not being performed. We identified 275 users with active FileOnQ access that were no longer City employees and 4 users with inappropriate access (privileged roles).

Administrative Directive (AD) *7.8 User Account Management* states that access privileges to information and IT resources shall be reviewed on a regular basis depending on the type of system to ensure that users have the least privileges they need to fulfill their duties. Furthermore, AD 7.8 states that Administrators shall periodically review the accounts no less than annually against lists/rosters of possible users. There is no SAPD policy to periodically review FileOnQ system users or roles.

Without effective access controls users can obtain unauthorized or inappropriate access to applications and data. In this case, unauthorized users could view and manipulate sensitive data pertaining to property or evidence.

Recommendation

The Chief of Police should implement application and user access controls that are in alignment with AD 7.6 *Security and Passwords* and AD 7.8 *User Access Management*.

C. Cash on Hand

The currency vault in the property room held a large amount of cash.

We determined that total cash in the currency vault was about \$1.4 million (see table below); about the same as reported in our 2006 audit.

Cash on Hand					
Year Collected	Evidence	Found	Personal	Recovered	Total
2009 and Prior	\$376,893.00	-	-	\$5,848.07	\$382,741.07
2010	226,952.33	-	\$46.00	2,148.61	229,146.94
2011	295,329.94	-	-	86,476.16	381,806.10
2012	349,718.81	\$23,290.63	23,286.55	5,243.80	401,539.79
Totals	\$1,248,894.08	\$23,290.63	\$23,332.55	\$99,716.64	\$1,395,233.90

All currency kept by the property room for criminal evidence is kept intact until its disposition is ordered by the courts or approved by an SAPD officer. Of the \$382,741 collected in 2009 and prior, \$289,139 or 75% has exceeded its retention period and is pending approval for deposit by an officer.

Additionally, although currency for most cases involves \$100 or less, just 109 cases (or about 3% of the total) account for over 52% of the total cash on hand (see table below). Pending approval, cash on hand could be reduced significantly if these 109 cases were researched and cash could be deposited.

Stratification of Cash on Hand				
Case Amount	No. Cases	% of Cases	Dollars	% Dollars
\$0 - \$100.00	2,227	62.93%	\$51,127.02	3.66%
\$100.01 - \$2,000.00	1,203	33.99%	\$612,348.09	43.89%
\$2,000.01 - \$85,000.00	109	3.08%	\$731,758.79	52.45%
Total	3,539	100.00%	\$1,395,233.90	100.00%

We found that when booking currency as evidence, SAPD officers are not consistent indicating if the currency needs to be held for court, or if it can be deposited immediately. There is no field in FileOnQ that alerts property room personnel that the currency being booked is to be held for court or alternatively, is to be deposited.

Consequently, property room personnel are tasked with researching the case associated with the currency to determine if the currency can be deposited or if it should be held for court. This results in property room personnel not depositing cash on a timely basis.

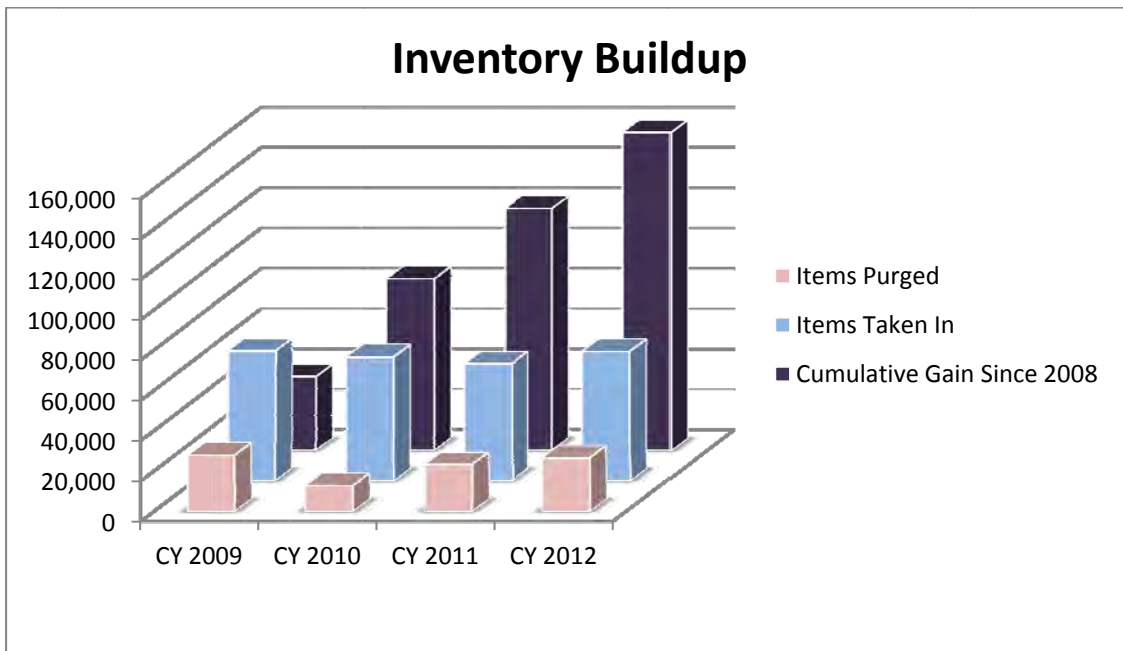
The City loses interest by not making timely deposits to its interest-bearing trust account. More importantly, the risk of theft increases as the amount of cash held in the currency vault increases.

Recommendation

The Chief of Police should require officers to designate currency being booked as either “hold for court” or “deposit”. The Chief of Police should also develop a policy requiring timely deposits (e.g. weekly) of currency items into the City’s trust account.

D. Inventory Levels

SAPD is not purging inventory as fast as it is coming in. Over the last four years, the Property and Evidence Room’s inventory has increased by 157,741 items, or about 73% (see table below).



Annually, the Property and Evidence Room takes in about 62,000 items and purges about 22,600 items on average. The result is an annual average increase of about 39,400 items.

IAPE *Administrative Issues* suggest that for a Property Room to be sustainable within existing facilities it needs to regularly purge items approximately equal to the number of items taken in, with the understanding that a significant portion of the items being purged would normally have been booked in prior years.

Of the 371,712 items in the warehouse, 175,318 items, or 47%, have met their Statute of Limitations but cannot be acted on because they are pending approval for disposition by a uniformed officer. On a semi-annual basis, the Property and Evidence warehouse sends notifications to SAPD units detailing items pending the responsible officer's approval for purging (destruction, auction, return to owner, etc.).

On average, SAPD officers only respond to 6-7% of the items in the reports which greatly contributes to the buildup of inventory. This issue combined with a currently understaffed property room has lead to the inventory buildup.

If the property and evidence inventory level is allowed to grow unchecked, additional storage space and associated resources such as personnel, shelving, and security will soon be required.

Recommendation

The Chief of Police should instruct SAPD officers to respond to Property and Evidence Room reports requesting approval to dispose items held in inventory.

E. FileOnQ Data

Retention periods were not consistently being entered into the FileOnQ system database for all evidence and recovered items.

We identified 65,911 items (or about 17% of the total inventory) that did not have a retention period assigned in FileOnQ. Also, 65,281 of the 65,911 items (or about 99%) did not have an offense code assigned.

The retention period is derived from the Statute of Limitations and the type of offense that is associated with the evidence. For example, a murder offense will require a longer retention period than a simple misdemeanor.

If items do not have a retention period assigned, the FileOnQ system will never flag them for possible purging, resulting in an unnecessary buildup of inventory. The items we noted without a retention period include blood samples, bullet casings, currency, firearms, narcotics, and sex-crime kits.

Recommendation

The Chief of Police should require FileOnQ's offense code and retention code fields be populated prior to processing evidence for storage. Additionally, property room Management should periodically run reports to identify critical missing data.

Appendix A – Staff Acknowledgement

Mark Bigler, CPA-Utah, CISA, CFE, Audit Manager
Gabriel Trevino, CISA, Auditor in Charge
Matthew Howard, CISA, Auditor
Rosalia Vielma, CFE, Auditor

Appendix B – Management Response

The following pages comprise SAPD management's verbatim response to audit recommendations.



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

March 22, 2013

Kevin W. Barthold, CPA, CIA, CISA
City Auditor
San Antonio, Texas

RE: Management's Corrective Action Plan for the Property and Evidence Room Audit

SAPD has reviewed the audit report and has developed the Corrective Action Plans below corresponding to report recommendations.

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
A	Physical Security and Alarms Recommendation: The Chief of Police should develop a security policy requiring the periodic 1) testing of all property room alarm systems, and 2) changing of key pad access codes to sensitive areas.	4	Accept	Dennis Rosenberry Administrative Services Officer	March 12, 2013
	Action plan: <ul style="list-style-type: none"> On January 9, 2013 all staff member alarm codes were changed On January 17, 2013 a functionality check of all alarm contacts and motion sensors was conducted by a staff member of FISK alarm company and found to be fully functional. On February 25, 2013 staff member scramble pad codes were changed On March 12, 2013 a revision of Standard Operating Procedure 202.00 (Property Room Security and Access) has been approved and implemented to include a mandatory quarterly check of all security alarm functions and requiring all key pad security codes and access alarm codes be changed semi-annually or when a staff member separates from the Department. 			Steve Baum Assistant Police Director	

B	FileOnQ Application Security Recommendation: The Chief of Police should implement application and user access controls that are in alignment with AD 7.6 Security and Passwords and AD 7.8 User Access Management.	5	Accept	Dennis Rosenberg Administrative Services Officer Steve Baum Assistant Police Director	March 5, 2013
Action plan: <ul style="list-style-type: none">Effective March 5, 2013 settings in FileOnQ were upgraded to meet the "STRONG" password requirements of AD 7.6 (min of 8 characters, w/min one capital letter and one symbol). In addition all users will be required to reset their password every 60 days.Property Room Standard Operating Procedure 202.00 (Property Room Security and Access) has been revised to require a semi-annual review of all current Card Key holders. FileOnQ accounts for all employees who have reassigned, been placed on leave or separated from the department will be disabled.					
C	Cash on Hand Recommendation: The Chief of Police should require officers to designate currency being booked as either "hold for court" or "deposit". The Chief of Police should also develop a policy requiring timely deposits (e.g. weekly) of currency items into the City's trust account.	6 - 7	Accept	Dennis Rosenberg Administrative Services Officer Steve Baum Assistant Police Director	April 27, 2013
Action plan: <ul style="list-style-type: none">A drop-down field has been established in FileOnQ property management system below the "Total Amount" field. Officers will be required to indicate "Hold for Court" or "Deposit" at the time of impound. Effective April 27, 2013 this change will be covered in Roll Call training through an instructional video.Property Room SOP 211.00 was revised January 1, 2013 to include mandatory weekly deposits on Tuesdays and Fridays as approved by the City Finance Department.					

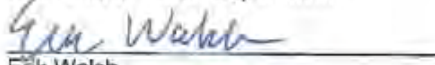
Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
D	Inventory Levels Recommendation: The Chief of Police should instruct SAPD officers to respond to Property and Evidence Room reports requesting approval to dispose items held in inventory.	7 - 8	Accept	Dennis Rosenberry Administrative Services Officer Steve Baum Assistant Police Director	March 12, 2013
	Action plan: <ul style="list-style-type: none"> General Manual policy 606 – Impounding Property, has been amended requiring follow-up units to respond to 100% of all Property Disposition Authorizations (PDA) issued on a semi-annual basis. The results will be tracked and reported to the appropriate unit Commander. 				
E	FileOnQ Data Recommendation: The Chief of Police should require FileOnQ's offense code and retention code fields be populated prior to processing evidence for storage. Additionally, property room Management should periodically run reports to identify critical missing data.	8 - 9	Accept	Dennis Rosenberry Administrative Services Officer Steve Baum Assistant Police Director	April 1, 2013
	Action plan: <ul style="list-style-type: none"> On March 12, 2013, FileOnQ property management system was modified to review all property impounded with-in the last 24 hours and automatically assign retention codes. The Property Room Supervisor will run a monthly ad hoc query to insure that all items have retention dates. 				

We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,



William McManus
Chief of Police
San Antonio Police Department



Erik Walsh
Deputy City Manager
City Manager's Office

03/22/13
Date

3/24/13
Date